

February 27, 1975

SENATOR SYAS: They should know what they're investing in and they took a chance.

SPEAKER: Chair recognizes Senator Duis.

SENATOR DUIS: Mr. President, I would like to address the Legislature in regard to these revenue bonds. Senator Stull, I believe you said that they would issue the bonds to buy the revenue bonds and there was a possibility of buying them on 60¢ on the dollar. Now a bond that you'd buy at 60¢ on the dollar, there must be something wrong with it to start with. Consequently, I'm not sure that we would want to get into a situation of buying a bond that was in default to begin with, even though it was our own. If this was possible . . . I'm wondering . . . I hate to put a constitutional amendment before the people of Nebraska without, that's a complex matter that they wouldn't be able to determine which way to vote on it. The question I'd like to ask of you, if you would yield to a question please sir. That is, can the Investment Officer of the State of Nebraska, at the present time, purchase this type of security with the funds that he has that he is working on at the present time? Or is this too risky a business for him?

SPEAKER: Senator Stull, do you yield?

SENATOR STULL: Senator Syas, or Duis . . .

SENATOR DUIS: That's alright. I like George too.

SENATOR STULL: Senator Duis, I don't think under the prevailing statutes that the people in charge of the office across the street, the Investment Council and Investment Officer, could purchase these bonds.

SENATOR DUIS: Thank you very much for your answer. I have grave doubt, Senator Stull, as to the wisdom of purchasing these bonds if they are in default. I have asked several times when we had hearings on Rules and Regulations as to whether or not the state colleges and the Board of Regents could determine that they might make rules and regulations which would require, you know, that certain students stay within the confines of dormitories in order to bring about what we desired a number of years ago when we didn't have space for these students. I think you'll recall this. We built these dormitories because we didn't have space for them. Now the trend has been, of the student, to go back to the apartment type living that he desired to get away from a number of years ago. My next question to you sir, if I might ask of you, that is in regard to a state college which I presume you are familiar with, that is Chadron. Can you tell us what the percentage of occupancy is at Chadron at the present time, and how the revenue bond situation is there? I don't mean to pinpoint anything except I thought you might be familiar with it.

SENATOR STULL: Senator Duis, Chadron State has a reserve, at the present time, of \$1,137,000. They have the lowest rate of occupancy in the dorms of any of the state colleges, that's 32 percent of the rooms are now occupied.